



July 30, 2007

Board of Directors  
MileStone Bank  
1980 South Easton Road  
Doylestown, PA 18901

Subject: MileStone Bank (In Organization)  
Doylestown, Pennsylvania

Dear Members of the Board:

Pursuant to the authority vested in me by the Corporation's Board of Directors, I have today approved the application filed by subject bank to modify the first condition in the Federal deposit insurance ORDER dated January 18, 2007. Based on the revised projections indicating delay of branching plans, condition one is changed from beginning paid-in capital funds of not less than \$16,000,000 to not less than \$12,000,000. All other conditions remain as stated in the ORDER.

If an extension of the time limitation prescribed in the ORDER is required, a letter application requesting a specified extension should be submitted to this office.

Any questions you have may be directed to Case Manager Richard Smus at (917) 320-2559.

Sincerely,

/s/

Doreen R. Eberley  
Regional Director

cc: Pennsylvania Department of Banking  
Gregory E. Grim, Esquire – Grim, Biehn & Thatcher